

AMENDED IN ASSEMBLY APRIL 20, 2009

AMENDED IN ASSEMBLY MARCH 27, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

Assembly Concurrent Resolution

No. 38

Introduced by Assembly Members Duvall and Coto
(Coauthors: Assembly Members Gaines and Lieu, Lieu, Ma, and
***Niello*)**

February 26, 2009

Assembly Concurrent Resolution No. 38—Relative to Financial Aid
and Literacy Month.

LEGISLATIVE COUNSEL'S DIGEST

ACR 38, as amended, Duvall. Financial Aid and Literacy Month.

This measure would declare April 2009 as Financial Aid and Literacy
Month to raise public awareness about the need for increased financial
literacy.

Fiscal committee: no.

- 1 WHEREAS, Californians' total personal income is 60 percent
- 2 higher than the next closest state and accounts for 13 percent of
- 3 all personal income in the United States; and
- 4 WHEREAS, Thirteen percent of Californians live below the
- 5 poverty level; and
- 6 WHEREAS, In 2007, credit card delinquencies nationwide
- 7 jumped 26 percent from the previous year; and
- 8 WHEREAS, Average credit debt among low- and
- 9 medium-income households is \$8,650; and

1 WHEREAS, Average credit card debt among indebted young
2 adults between 25 and 34 years of age increased by 55 percent
3 from 1992 to 2001, inclusive, to \$4,088, and average credit card
4 debt among persons between 18 and 24 years of age increased by
5 104 percent; and

6 WHEREAS, The share of families with any type of debt climbed
7 to 77 percent during *the period of* 2004 through 2007, and the
8 largest increase was for families headed by persons 75 years of
9 age or older; and

10 WHEREAS, Over a third of young adults own credit cards, and
11 young people receive little in the way of financial education; and

12 WHEREAS, Current mortgage disclosures frequently fail to
13 convey key information to consumers, often are misunderstood,
14 and may contribute to information problems in the mortgage
15 market; and

16 WHEREAS, A large majority of workers who have not put
17 money aside for retirement have little in savings at all, and seven
18 in 10 of these workers say their assets total less than \$10,000; and

19 WHEREAS, The median amount in retirement accounts is
20 \$2,000; and

21 WHEREAS, The savings rate for American consumers has risen
22 to over 3 percent; and

23 WHEREAS, Only 41 percent of workers indicate they or their
24 spouses currently have a defined benefit pension plan, yet 59
25 percent say they are expecting to receive income from such a plan
26 during retirement; and

27 WHEREAS, Total United States consumer debt, which includes
28 installment debt, but not mortgage debt, reached \$2.6 trillion in
29 December 2008, up from \$2.551 trillion at the end of 2007; and

30 WHEREAS, Ninety-eight percent of retirees regret how they
31 spent their money before retiring, and 97 percent of baby boomers
32 share this regret and are uncomfortable with how much they have
33 accumulated during their preretirement years; and

34 WHEREAS, The Governor has proclaimed April 2009 as
35 “Financial Aid and Literacy Month”; and

36 WHEREAS, High school seniors taking part in a national survey
37 of financial knowledge scored an average of 48.3 percent, a failing
38 grade; and

39 WHEREAS, Only seven states require high school pupils to
40 take a personal finance course to graduate, and only nine states

1 require high school pupils to pass a test on personal finance to
2 graduate; and

3 WHEREAS, As pupils progress through school, credit card
4 usage swells. Ninety-one percent of ~~final-year~~ *final-year* college
5 students have a credit card compared to 42 percent of freshmen.
6 Fifty-six percent of ~~final-year~~ *final-year* students carry four or
7 more cards, and 74 percent of undergraduates use credit cards for
8 school supplies; and

9 WHEREAS, Increasing the financial literacy of all economic
10 and ethnic groups is documented to improve attitudes, lead to
11 improved decisionmaking, and provide for a more secure future
12 for the individuals and their families who have been educated in
13 these issues; and

14 WHEREAS, The percentage of workers who are very confident
15 about having sufficient financial resources for a comfortable
16 retirement fell from 27 percent in 2007 to 18 percent in 2008; and

17 WHEREAS, Seventy-five percent of college students carried
18 credit cards in 2007, up from 67 percent in 1998; and

19 WHEREAS, Financial literacy training may easily be integrated
20 as a valuable component for elementary and secondary schools,
21 colleges and universities, libraries, community groups, and citizen
22 town hall meetings; and

23 WHEREAS, Many groups are dedicated to increasing the
24 financial literacy of Americans and a broad range of quality
25 personal finance materials and curricula have been created for this
26 purpose, but audiences to which this information is vital are not
27 being reached; now, therefore, be it

28 *Resolved by the Assembly of the State of California, the Senate*
29 *thereof concurring*, That the Legislature hereby declares April
30 2009 as Financial Aid and Literacy Month to raise public awareness
31 about the need for increased financial literacy; and be it further

32 *Resolved*, That legislators, employers, schools, service groups,
33 community organizations, libraries, financial institutions, and the
34 media be encouraged to provide opportunities for financial literacy
35 education for all Californians through a variety of means and to
36 collaborate with members of the California Society of Certified
37 Public Accountants, the California Jump\$tart Coalition, and others
38 as they provide outreach and education; and be it further

- 1 *Resolved*, That the Chief Clerk of the Assembly transmit copies
- 2 of this resolution to the author for appropriate distribution.